

CLAYTON COUNTY WATER AUTHORITY

1600 Battle Creek Road
Morrow, Georgia 30260

Regular Board Meeting, June 4, 2009

Chairman, Pete McQueen, called the meeting to order at 1:30 p.m.

Present at the meeting were: Chairman, Pete McQueen, Vice Chairman, Lloyd Joiner, Secretary/Treasurer, Marie Barber, and Board Members, John Westervelt, and John Chafin, General Manager, P. Michael Thomas, Deputy Manager, Mike Bennett, Legal Counsel, Steve Fincher of Fincher, Denmark & Williams, Steve Lavinder of CH2M Hill, other CCWA staff and visitors.

Absent from the meeting were: Board Members, Wes Greene and Doug Bonner.

Chairman McQueen called on Coty McDaniel of Water Production to give the invocation.

Approval of Minutes: Chairman McQueen called for any omissions or additions to the Regular and Executive Session Board Meeting minutes of Thursday, May 7, 2009. Hearing none, the minutes were approved as presented.

Financial and Statistical Report: Chairman McQueen called on Emory McHugh, Finance Director, to give our financial report. Mr. McHugh reviewed the financial information that was given to the Board for the twelve-month period ending April 30, 2009.

Recognition: Teresa Adams, Manager of General Services, recognized Lead Maintenance Mechanic, Ron Haney for his 20 years of service and Jim Poff, Manager of Water Reclamation, recognized Tim Hampton for his 25 years of service. Both employees were presented with their 20 and 25 year service pins.

Mike Thomas, General Manager, recognized Karen Riser, Risk Manager, for her receipt of the Georgia Public Risk Management Association (PRIMA) Service Award at the national level.

Guy Pihera, Manager of Water Production, recognized the Hicks Plant staff for receipt of the GAWP 9-year Platinum Award for 2008 and the Hooper Plant Staff for receipt of the GAWP 11-year Platinum Award for 2008.

Kevin Osbey, Stormwater Program Manager, recognized Jael Fuller, Stormwater Maintenance Mechanic for passing the state's Wastewater Collection Exam.

Flint River Emergency Sewer Line Relocation Summary: Chairman McQueen called on Herbert Etheridge, Distribution and Conveyance Department Manager, to present the Flint River Emergency Sewer Line Relocation Summary.

CCWA crews and contractors worked together to repair a crushed 21” sewer line and sinkhole. This included relocating several hundred feet of sewer line and stabilizing the sinkhole for a total cost of \$211,371.36.

Sale of Belt Press Bid Recommendation: Chairman McQueen called on Jim Poff, Water Reclamation Department Manager, to present the Sale of Belt Press Bid Recommendation.

During the upgrade of the Northeast WRF, an old belt filter press was replaced by two centrifuge units for drying solids. Centrifuges provide more capacity with less operator attention. The used belt filter press was advertised for sale and sealed bids accepted. CCWA staff recommends selling this used 1.5 meter belt filter press to the highest bidder, Martint, Inc. for a price of \$17,000.

Vendor	Bid
Martint, Inc. Lexington, South Carolina	\$17,000
MSD Environmental Services, Inc. Centerville, Ohio	\$16,600
T & A Fabrication, Inc. Thomaston, Georgia	\$8,500

UPON Motion by John Westervelt and seconded by Lloyd Joiner it was unanimously

RESOLVED: to award the Sale of Belt Press to Martint, Inc. for the amount listed above.

Sewer Use Ordinance Revisions – Private Systems: Chairman McQueen called on Jim Poff, Water Reclamation Department Manager, to present the Sewer Use Ordinance Revisions – Private Systems.

The Metropolitan North Georgia Water Planning District (MNGWPD) requires CCWA to have a regulation in place that addresses Private Wastewater Systems. General consensus and historical data regarding private wastewater systems in metropolitan Atlanta is that these systems often become neglected or abandoned and cause environmental health issues. The CCWA Sewer Use Ordinance addresses these systems,

but does not cover all MNGWPD requirements therefore we must revise ordinance accordingly. One other needed ordinance revision is also being done at this time.

- 1.) Addition to Section 98-1 (D) “Definitions”:
 - Added definition for Onsite Sewage Management System.
 - Revised Septic Tank Waste definition.
- 2.) Changes to Section 98-2 (C) “Private Wastewater Disposal”:
 - Added maximum size for On-site Sewage Management System shall not exceed average daily flow capacity of 2,000 gallons.
 - Revised minimum lot acreage to 25,000 square feet per Clayton County Environmental Health regulations.
- 3.) Changes to Section 98-7 (F) “Food Service Facility Grease Management Program”:
 - Corrected section numbering error.

These ordinance changes have been reviewed by CCWA’s attorney and approved by the Georgia Environmental Protection Division. Staff recommends that the Board approve these changes and send them to the County Commissioners for approval and adoption.

UPON Motion by John Chafin and seconded by Marie Barber it was unanimously

RESOLVED: to approve the Sewer Use Ordinance Revisions – Private Systems as outlined above.

Vegetation Harvesting Barge Purchase Recommendation: Chairman McQueen called on Jim Poff, Water Reclamation Department Manager, to present the Vegetation Harvesting Barge Purchase Recommendation.

Floating vegetation in the constructed wetland deep zones has become a significant nuisance. The dense vegetation can significantly disrupt flow patterns and cause water to back up and overflow emergency weirs and short circuit the treatment process as well as reducing cell storage for flooding situations. The main benefits of removal are:

- An even unrestricted flow through the deep zones of wetlands as designed;
- Control of unwanted wetland species before they make their way to reservoirs;
- Improved flood storage in the wetland cells;
- Minimizes clogging of emergency overflow cells located in deep zones; and
- Improved appearance of wetland cells.

CCWA experimented with the contracted removal of floating vegetation at the Huie site; however, it was very difficult to find interested contractors. We were able to locate one contractor who performed a demonstration project on cell G1 for a cost of \$12,500. Purchase of our own equipment could greatly reduce the cost of this activity over the long term.

CCWA staff would prefer a small mobile unit that can be launched without use of crane. Aquarius Systems has the least expensive new unit (model EH220) at a cost of \$74,780 plus an accompanying trailer that doubles as conveyor at \$29,825 for a total cost of \$104,605. Due to the cost of new equipment and the need to use this equipment for only a few weeks each year, CCWA staff considered the purchase of used equipment.

Pre-owned units of this model are scarce but we located two that were available. One was a 2002 model that had already sold for \$45,000. The other was a 1994 model located in Tarpon Springs, Florida. CCWA staff visited and tested the unit. All were impressed with the condition of the equipment and recommend the purchase.

Equipment Details:

Owned by Weedbusters Inc. located in Tarpon Springs Fla.

1994 – Model EH220

5' cutting width & depth

4 cylinder Kubota diesel engine

Stainless Steel Hull

Stainless Steel heavy duty mesh belting

Price: \$27,000

Heavy Duty trailer with stainless steel mesh conveyor belting

5 HP belt drive motor with hydraulic pump

Electric winch, trailer brakes

Price: \$9,000

There are some other pre-owned units available but they are large, expensive, and not practical for our application.

CCWA staff recommends the purchase of the used vegetation harvester and trailer for a price not to exceed \$36,000.00. The cost of purchase of this used equipment is less than what contracted services would cost to perform this maintenance activity one time over the entire site. This equipment was not budgeted because of the price of new equipment but can be purchased by utilizing funds in the General Manager's contingency fund.

UPON Motion by John Chafin and seconded by Lloyd Joiner, it was unanimously

RESOLVED: to approve the Vegetation Harvesting Barge Purchase Recommendation in the not to exceed amount of \$36,000 as outline above.

Smith WPP Improvements Bid Recommendation: Chairman McQueen called on Mike Buffington, Program Management Engineer, to present the Smith WPP Improvements Bid Recommendation.

The J. W. Smith Water Production Plant (WPP) and raw water reservoir were completed in 1985 with a design capacity of 6.0 MGD. The plant was upgraded and expanded to 12.0 MGD in 1990 and UV advanced disinfection was added in 2003. Solids handling facilities were added in 2005 at the Shoal Creek WRF to handle alum residuals from the Smith WPP as well as biosolids from the Shoal Creek WRF. The 2005 Update to Master Plan 2000 recommended that the Smith plant be upgraded to include improvements and replacement of aging and outdated equipment.

Construction documents for this phase of improvements include rehab of existing filters; modifications to chemical feed and storage equipment; modifications to operations building; miscellaneous upgrades; and improvements to the electrical and SCADA systems.

Project Managers:
CH2M Hill, Engineers – Stuart Jeffcoat
Clayton County Water Authority – Mike Buffington

Bid Opening:
The following bids were received at 2:00 PM Local Time May 5, 2009:
Heavy Constructors, Inc. \$5,049,300
Southern Champion Construction, Inc. \$5,889,608

Estimate:
Final Engineers Estimate \$5,439,546

Note: Above bids and engineer's estimate include Additive Alternate No. 1 to rehab filters 7 and 8 in addition to filters 1 – 6 included in Base Bid.

Funding:
The project will be funded by 2005 Bond Issue and R&E Funds.

CCWA staff and CH2M Hill recommend award to the low bidder to complete Base Bid work and Additive Alternate No. 1 to rehab filters 7 and 8.

UPON Motion by Marie Barber and seconded by Lloyd Joiner it was unanimously

RESOLVED: to award the Smith WPP Improvements Bid Recommendation to the low bidder Heavy Constructors, Inc. as outlined above.

Blalock Reservoir & Noah's Ark Rd PS Generator Project Recommendation:
Chairman McQueen called on Mike Buffington, Program Management Engineer, to present the Blalock Reservoir & Noah's Ark Rd PS Generator Project Bid Recommendation.

The Blalock Reservoir Raw Water Pump Station provides raw water to the Terry R. Hicks WPP. Finished water is then pumped from the Hicks Plant to the distribution system through the Noah's Ark Road pumping stations. As recommended in the 2005 Master Plan Update, emergency standby generators will be installed at water production and pumping facilities over several years.

An emergency standby generator was recently added at the Hicks Plant under a separate contract. This project includes construction of standby generator equipment at the Blalock Reservoir Pump Station, and at the Noah's Ark Road Pump Station. This will provide complete emergency power for the Hicks complex including raw water pumping, water production plant, and finished water pumping to the distribution system.

Project Managers:
CH2M Hill, Engineers – Kirsten Horton
Clayton County Water Authority – Mike Buffington

Bid Opening:
The following bids were received at 2:00 PM Local Time May 12, 2009:

Allsouth Constructors, Inc.	\$1,025,192
Heavy Constructors, Inc.	\$1,062,854
Willow Construction, Inc.	\$1,139,900
Excel Electrical Technologies, Inc.	\$1,140,000
Player and Company	\$1,140,920
Lanier Contracting Company	\$1,164,647
Ranger Mechanical, Inc.	\$1,295,000
Dynalectric Company of Georgia	\$1,447,892

Estimate:
Final Engineers Estimate \$1,230,000

Funding:
The project will be funded by R&E Funds.

CCWA staff and CH2M Hill recommend award to the low bidder Allsouth Constructors, Inc.

UPON Motion by Marie Barber and seconded by John Westervelt it was unanimously

RESOLVED: to award the Blalock Reservoir & Noah's Ark Rd PS Generator Bid Recommendation to the low bidder Allsouth Constructors, Inc. as outlined above.

Water Distribution Planning Support Task Order: Chairman McQueen called on Mike Bennett, Deputy Manager, to present the Water Distribution Planning Support Task Order.

This task order includes services provided by CH2M Hill to conduct water distribution modeling support as part of the 2010 Strategic Master Plan. The water distribution model developed and calibrated under a previous project will be used as basis for the analysis.

The purpose of the task order is to provide computerized hydraulic modeling and engineering planning support for the CCWA water distribution system as part of the 2010 Strategic Master Plan. The work proposed is intended to position CCWA in identifying opportunities to improve how potable water is distributed through the distribution system. Information and results obtained from this distribution modeling effort will be used to improve water quality, system pressures, and system efficiency through the year 2030.

Project Managers:
CH2M Hill, Engineers – Skip Martin
Clayton County Water Authority – Mike Bennett

Task Order Amount:
\$ 199,579.00 (not to exceed amount)

Funding:
R & E Fund

Staff recommends approval of the Water Distribution Planning Support Task Order in the not to exceed amount of \$199,579.00.

UPON Motion by Lloyd Joiner and seconded by John Westervelt it was unanimously

RESOLVED: to approve the Water Distribution Planning Support Task Order in the not to exceed amount of \$199,579.00 as outlined above.

Duty to Defend Policy: Chairman McQueen called on Mike Thomas, General Manager, to present the Duty to Defend Policy.

It has been common practice at Clayton County Water Authority to provide insurance coverage and defense services to board members as well as employees should a situation occur in which a claim results as to actions by a CCWA board member or employee. The Authority's Law and Policy Manual currently contains some broad board member and employee indemnification language which has provided some protection although is somewhat vague in meaning and intent. Therefore a new policy has been drafted in conjunction with our legal counsel that outlines the following items:

- 1) Clearly defines terms such as "board", "claim", "employee" and "proceeding";
- 2) Clearly outlines what is covered as to the defense of an employee;
- 3) Clearly outlines what is considered grounds for refusal of defense i.e. must be within the course and scope of employment; and
- 4) Clearly outlines what is covered as to payment of judgment and settlements of claims.

Additionally, it is the intention of this recommended policy to override the need to purchase some professional liability insurance coverage which carries an annual cost of approximately \$15,000. Therefore staff recommends approval by the board of the new "duty to defend" policy as shown in its entirety as attached.

STATE OF GEORGIA

COUNTY OF CLAYTON

RESOLUTION NO. 2009-01

WHEREAS, Georgia Laws 1955, page 3334, created the Board of the Clayton County Water Authority;

WHEREAS, the Board of Directors ("Board") has adopted a Clayton County Water Authority Law and Policy Manual consisting of Chapters 1 through 15, each inclusive;

WHEREAS, the Board wishes to amend the Clayton County Water Authority Law and Policy Manual as set out below.

NOW THEREFORE, BE IT AND IT IS HEREBY RESOLVED THAT: The Clayton County Water Authority hereby officially amends the Clayton County Water Authority Law and Policy Manual as follows:

DIVISION 1:

Chapter 5, Section 4, Board Member Indemnification, is hereby repealed in its entirety.

DIVISION 2:

There is hereby added a new section to read and to be codified as follows:

Chapter 12, Financial, Section 6. Insurance, Defense of directors, officers and employees and payment of claims and judgments.

It is the policy of the Authority to purchase and maintain insurance policies from appropriately rated insuring companies that protect the Authority, its directors, officers, employees and assets from all common perils and claims.

Any director, officer, employee who becomes aware of a claim or potential claim against the Authority or against them arising out of the scope of their performance of duties on behalf of the Authority shall immediately relay such notice to the General Manager or his designee, who shall thereafter convey such claim to the appropriate insurer for adjustment and defense.

In any circumstance in which it appears that no insuring contract is available for the adjustment or defense of a claim against any director, officers or employee of the Authority, the Authority adopts the following policy.

(A) **Definitions.** Unless the context otherwise requires, the definitions contained in this section govern the construction of this section:

“Board” means the Board of Directors of the Clayton County Water Authority.

“Claim” includes all claims presented against an Employee prior to institution of a Proceeding.

“Employee” means a member of the Board, officers, supervisors and employees of the Authority.

"No Sum" is intended to exclude payment of any sum whatsoever including but not limited to compensatory damages, punitive damages, attorney's fees and costs.

“Proceeding” means any matter of a civil nature in or before any court or agency of this state or of any other state or of the United States.

(B) **Defense of Employees.** Whenever, for any matter not otherwise covered by the Authority's insurance coverage, any claim is made or proceeding is brought against an Employee, asserting against him personal liability for damages or expenses arising out of the performance of his duties or in any way connected therewith, whether based on negligence, violation of contract rights, or violation of civil, constitutional, common law, or other statutory rights, whether federal, state, or local, the Authority shall, upon such Employee's timely written request, and as a part of such officer's or employee's compensation and terms of employment, provide for his or her defense, unless otherwise limited by the terms of this section. The Authority may expend funds for such purposes, including but not limited to court costs, deposition costs, witness fees and compensation, and all other like costs, expenses and fees.

(C) **Grounds for refusal of defense.**

- (1) The Board may refuse to provide for, or if a defense has begun, may withdraw from, the defense of a claim or proceeding brought against an Employee if it determines that:
 - a. The act or omission did not arise out of and in the course of the employment of such Employee nor was the act or omission reasonably related to such employment;
 - b. The Employee acted or failed to act because of intentional misconduct, actual fraud, corruption, or actual malice on his or her part;
 - c. Provision of a defense against the claim or proceeding would not be in the best interests of the Authority;
 - d. The proceeding is a criminal prosecution; provided, however, that a defense may be provided where (1) the criminal prosecution is one for an alleged violation of the Georgia Open Records Act or Georgia Open Meetings Act, and it is determined that the charged Employee has acted in good faith to comply with the subject Act and has substantially complied with all Authority policies relating to the subject Act, which determination shall be made by the Board or (2) the Employee is following direct instructions from a supervisor within his or her chain of command and there is no allegation of actual fraud, corruption, or actual malice on his or her part;
 - e. The request was not timely made;

- f. The claim arises out of an act or omission committed or occurring at a time when the Employee was under the influence of drugs or intoxicants;
- g. The act or omission giving rise to the claim was in direct disobedience of an order or instructions of a superior or in contravention of established Authority policy.
- h. The Employee fails to cooperate in the defense of a claim or proceeding, or
- i. The defense of any such civil action by the Authority would create a conflict of interest between the Authority and the officer or employee.

(2) The determinations required by this section shall be made by the Board. The Board may refuse, at any time, prior to or after the approval or assumption of the defense, to provide for the defense of an Employee if it is determined or discovered that any of the grounds for refusal set forth in this section exist.

(3) Upon approval of the defense of a claim or proceeding against an Employee, the Board shall refer the matter to the Authority's attorney for disposition. In the event two or more Employees or groups of Employees are involved, and the interest of one Employee or group of Employees conflicts with the interests of another Employee or group of Employees, the Board shall specify which Employee or group of Employees shall be represented by the Authority's attorney and shall, for the other Employees or groups of Employees choose and employ appropriate counsel at the expense of the Authority.

(D) Payment of judgments; compromise and settlement of claims.

(1) Where the Authority has undertaken to defend Claims or Proceedings brought against Employees as provided by this section, the Authority may, in its sole discretion, by resolution duly adopted and approved, pay all or any part of final judgments awarded against Employees by courts of competent jurisdiction or any amount payable as a monetary settlement of any such civil action, subject to the limitations and exclusions which follow.

(2) Notwithstanding the foregoing, payment of settlements, compromises, judgments and claims shall be limited as follows for any claim or proceeding.

- a. No Sum shall be paid on behalf of any Employee who admits, in any sworn statement, or for whom it has been so determined in any administrative, judicial or other legal proceedings, to have knowingly and intentionally violated state or federal law and/or the Authority's policies and procedures.
- b. Whenever there is a final determination by a court of competent jurisdiction that the Employee, with respect to the act or failure to act giving rise to the subject Claim or Proceeding, acted or failed to act because of actual fraud, corruption, or actual malice, the Employee shall be required to reimburse the Authority any amounts paid in defense of the Claim or Proceeding, and any amounts paid as a judgment, compromise, or settlement of such Claim or Proceeding.
- c. No Sum shall be paid pursuant to this section unless the claimant unconditionally releases each and every officer and employee and the Authority from any and all suits, claims, actions, causes of action, demands, damages, costs, expenses and compensation on account of or in any way arising out of or related to any such single or continuing incident or occurrence.
- d. No Sum shall be paid pursuant to this section where punitive or exemplary damages have been assessed against any officer or employee by any court of competent jurisdiction.
- e. Any such disbursement as provided in this section shall be deemed to be for public purposes and may be paid from Authority funds.

(E) **Construction of section.** Nothing in this section shall be construed to constitute any waiver by the Authority of the governmental immunity afforded it under the laws and constitution of the state, except as specifically set forth in this section. Nothing in this section shall be construed in any way to reduce or eliminate the rights of any officer or employee against any other party. Nothing herein contained shall be deemed to constitute the appointed officials and their appointees as Employees of the Authority except for purposes of this section.

(F) **Rights of Third Parties.** Nothing herein contained shall be deemed to create any rights for or obligations to third parties, and this section does not create and obligations to any third party beneficiary hereunder. No person not an Employee of the Authority and otherwise entitled to the benefits created hereunder shall have any right to enforce the provisions of this section against the Authority. Employees may not assign their rights hereunder, which are purely personal to the Employee.

SO RESOLVED this 4th day of June, 2009.

ATTEST:

CLAYTON COUNTY WATER
AUTHORITY

Marie Barber, Secretary

Pete McQueen, Chairman

APPROVED AS TO FORM:

Steven M. Fincher, Attorney for
Clayton County Water Authority

UPON Motion by Lloyd Joiner and seconded by John Westervelt it was unanimously

RESOLVED: to approve the Duty to Defend Policy as presented and include it in the CCWA Law and Policy Manual.

Policy Manual Updates: Chairman McQueen called on Mike Thomas, General Manager, to present the Policy Manual Updates.

The Board has adopted several policies during the last 12 months that have not been officially placed in the CCWA Law and Policy Manual. CCWA staff requests Board approval to officially include the following items in the Manual. A summary of changes for the period of June 5, 2008 through June 4, 2009 are listed below.

1. Chapter 9, Section 2, Water and Sewer Design and Installation Specifications, was updated to show the approval by the Board on September 4, 2008 of the Fire Hydrant Security Measures Specification.
2. Chapter 8, Section 38 Industrial Pretreatment Enforcement Response Plan was added to incorporate approval of this plan by the Board on November 6, 2008.
3. Chapter 8, Section 26, Out of County Customer Rates, was updated to show the approval by the Board on November 6, 2008 of the wholesale water rate for the City of College Park.
4. Chapter 13, Section 6, CCWA Land Acquisition, Retention and Use, was added to incorporate approval of this policy by the Board on November 6, 2008.
5. Chapter 6, Section 1, General Fees, was updated to show the approval by the Board on November 6, 2008 of the Septage Dumping Fee from \$140 to \$155 per thousand gallons.
6. Chapter 8, Section 37, Identify Theft Red Flag Plan, was added to incorporate approval of this plan by the Board on December 4, 2008.
7. Chapter 6, Section 2, Customer Connection Fees, was updated to show the approval by the Board on January 8, 2009 of the Revised Meter Fees.
8. Chapter 6, Section 1, General Fees, was updated to show the approval by the Board on January 8, 2009 of the Bill Matrix credit card fee from \$3.95 to \$3.25 per transaction.
9. Chapter 8, Section 7, Sewer Use Ordinance, will be updated with the proposed changes, if approved by the Board at the June 2009 meeting.
10. Chapter 5, Section 4, Board Member Indemnification, will be replaced by the "Duty to Defend" policy included in your packet for June 2009 if approved by the Board.

RESOLUTION NO. 2009-02

A Resolution Providing for the Adoption and Enactment of a Board Policy Manual for Clayton County Water Authority, Georgia; to Provide for the Repeal of Certain Policies Not Included Therein; to Provide for the Manner of Amending the Policy; to Provide for an Effective Date of this Board Policy Manual; and for Other Purposes.

Be It Resolved by the Board of Directors of Clayton County Water Authority and It Is Hereby Resolved:

A) The Board of Directors hereby adopts the Policy Manual "Board Policy Manual of Clayton County Water Authority, Georgia" consisting of Chapters 1 through 15, each inclusive.

B) All policies of a general and permanent nature enacted on or before June 4, 2009, and not included in the Policy Manual or recognized and continued in force by reference therein, are hereby specifically repealed.

C) The repeal provided for in Section B hereof shall not be construed to revive any policy, or part thereof, that has been repealed by a subsequent policy.

D) Additions or amendments to the Board Policy Manual when passed in the form as to indicate the intention of the Board of Directors to make the same a part of the Policy Manual shall be deemed to be incorporated in the Policy Manual, so that reference to the Policy Manual includes the additions and amendments.

E) Policies adopted after June 4, 2009, that amend or refer to policies that have been codified in the Policy Manual shall be construed as if they amend or refer to like provisions of the Policy Manual.

F) All policies, or parts thereof, which conflict with the provisions of this Policy Manual, are hereby repealed.

G) If any part of this Policy Manual shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect the remainder of this enactment, and such remainder shall remain in full force and effect.

H) This Board Policy Manual shall be effective on the date of its approval by the Board of Directors.

So Resolved, this 4th day of June, 2009. (Resolution No. 2009-02)

UPON Motion by Marie Barber and seconded by Lloyd Joiner it was unanimously

RESOLVED: to approve the Policy Manual Updates and Resolution as outlined above.

Sale of Property to Forest Park: Chairman McQueen called on Mike Thomas, General Manager, to present recommendation on the Sale of Property to Forest Park.

The City of Forest Park has inquired about obtaining two small parcels owned by CCWA in the City. These two parcels were originally part of the CCWA purchase of the Forest Park Water System because a water tank was located on each parcel. The tanks have long since been removed and the property has no real use to CCWA. The sites would not be appropriate for large cell phone towers because of City regulations limiting the locations of these towers.

Page Eleven

The City would like to use both parcels for small antennas to improve their police and fire radio communications. They would also plan to use Parcel 1 on Summit Street as a small public park. We had an appraisal performed to determine present value of these parcels. CCWA staff recommends the sale of these two parcels to the City of Forest Park.

Parcel 1:

Summit Street	0.243 acres
Appraised Value	\$10,600.00
80% of Appraised Value	\$8,480.00

Parcel 2:

Ash Street	0.194 acres
Appraised Value	\$2,100.00
80% of Appraised Value	\$1,680.00

UPON Motion by John Chafin and seconded by Lloyd Joiner it was

RESOLVED: to donate both pieces of property to the City of Forest Park with the stipulation that they use Parcel 1 for a park or green space.

Upon Motion by Marie Barber and seconded by John Chafin it was unanimously

RESOLVED: that the Board adjourn into executive session for land, legal, and personnel issues. The Board reserves the right to return to open session.

Mr. Thomas discussed the following topics with the Board:

- Divine Faith Ministries Sewer Extension – The CCWA Board had previously agreed to participate in a sewer extension to serve the church and surrounding areas. CCWA will pay for 25% of the cost to install the sewer extension, not to exceed \$27,275 and excluding the cost of rock excavation. The deadline for Divine Faith to pay for their portion of this project is December 4, 2009.

UPON Motion by John Westervelt and seconded by Marie Barber it was

RESOLVED: to extend the offer to participate with Divine Faith Ministries in a sewer extension for an additional six (6) months as outlined above.

- Mauldin & Jenkins – Mauldin & Jenkins were selected by the County as their new auditors. CCWA is required to use the same auditors. The proposed cost for the CCWA audit is \$61,000.

UPON Motion by Marie Barber and seconded by John Westervelt it was

RESOLVED: to accept auditing services of Mauldin & Jenkins for fee of \$61,000.

Additional updates from Mr. Thomas included:

- Fuzzy Filters replacement at Northeast Plant – repair cost \$24,000
- Twelve Oaks Apartment Complex – Partial payment received. Expect balance by 2nd week in June.
- Donation of printers, computers & monitors to Salvation Army
- Summer Interns – Provided by Hearts to Nourish Hope program
- Freeman Road Monument - to honor Anderson Freeman
- WEFTEC Conference, October 10 - 14 in Orlando, FL

Mr. Thomas reviewed a proposed rate adjustment that is necessary to fund increasing operating costs and to maintain the debt ratio as required by bond covenants and Board policy. The details of the proposed adjustment are shown below.

Residential Rates

- Keep minimum bill at 3,000 gallons with no increase in rate
- Adjust all other water rates by 6% for each conservation tier

Usage	Current Rate	New Rate
○ 0 – 3,000	\$4.32	\$4.32
○ 4,000 – 7,000	\$4.54	\$4.81
○ 8,000 – 20,000	\$5.40	\$5.72
○ >20,000	\$6.48	\$6.87

- Adjust sewer rates by 8%
 - 0 – 3,000 \$4.46 \$4.46
 - >3,000 \$4.68 \$5.05
- Increase irrigation meter rate to highest tier for all usage - \$6.87 per thousand

Non-residential rates (Commercial, Industrial, Multi-Family, etc.)

- Reduce minimum bills for all meter sizes by 20% (see attached table)
- Adjust water rates by 6% for all usage – current rate = \$4.54; new rate = \$4.81
- Adjust sewer rates by 8% for all usage – current rate = \$4.68; new rate = \$5.05
- New minimum bill amounts by meter size – water & sewer

	Current	Current	New	New
<u>Meter Size</u>	<u>Minimum Use</u>	<u>Minimum Bill</u>	<u>Minimum Use</u>	<u>Minimum Bill</u>
○ 5/8"	3,000	\$27.66	3,000	\$29.58
○ 3/4"	4,000	\$36.88	4,000	\$39.44
○ 1"	8,000	\$73.76	6,000	\$59.16
○ 1.5"	25,000	\$230.50	20,000	\$197.20
○ 2"	56,000	\$516.32	45,000	\$443.70
○ 3"	111,000	\$1,023.74	89,000	\$877.54
○ 4"	167,000	\$1,539.74	134,000	\$1,321.24
○ 6"	222,000	\$2,046.84	178,000	\$1,755.08
○ 8"	333,000	\$3,070.26	266,000	\$2,622.76
○ 10"	444,000	\$4,093.68	355,000	\$3,500.30

Upon Motion by Lloyd Joiner and seconded by Marie Barber it was unanimously

RESOLVED : to accept recommendation for rate adjustment effective for use beginning August 1, 2009.

Mr. Thomas notified the Board that CCWA had continued the policy of paying 5% interest on customer deposits even though we have not been able to earn that on our own deposits for several years.

Mr. Thomas also requested that irrigation rates be set equal to the highest residential water conservation tier of \$6.87 per 1,000 gallons.

Upon Motion by John Chafin and seconded by Marie Barber it was unanimously

RESOLVED : to stop paying 5% interest on customer deposits for all accounts after September 1, 2009 and increase irrigation rates to highest residential tier of \$6.87 per one thousand gallons effective August 1, 2009 (revised September 3, 2009, Regular Board Meeting, p 4204).

Page Nineteen

OPEB Trust Meeting Update – Mr. Thomas and Mr. Westervelt provided an update of actions taken at the first meeting of the CCWA OPEB Trust Fund Trustees.

Upon Motion by John Chafin and seconded by Lloyd Joiner it was unanimously

RESOLVED: to adjourn the regular session board meeting.

There being no further business to come before the open meeting, the meeting was adjourned.

Pete McQueen, Chairman

Walter Marie Barber, Secretary/Treasurer